

Message Text

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15

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAB-01

SSM-03 OMB-01 SAM-01 ACDA-07 MC-02 AID-05 EUR-12 /089 W

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P R 270832Z APR 76

FM AMCONSUL JERUSALEM

TO AMEMBASSY AMMAN PRIORITY

INFO SECSTATE WASHDC 7913

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E.O. 11652: N/A

TAGS: PFOR, JO, US

SUBJECT: JERUSALEM POST ARTICLE ON HAWKS

REF: AMMAN 2226

1. FOLLOWING IS FULL TEXT OF APRIL 25 JERUSALEM POST STORY
ON HAWKS BY POST'S WASHINGTON CORRESPONDENT, WOLF BLITZER.

BEGIN TEXT

U.S. IRE AT JORDANIAN P.M.

'RIFAI MISLED SUADIS ON COST OF HAWKS'

WASHINGTON - ALTHOUGH AMERICAN OFFICIALS REMAIN CONFIDENT THAT
A COMPROMISE SOLUTION CAN YET BE WORKED OUT WITH JORDAN FOR THE
SALE OF AN ADVANCED HAWK ANTI-AIRCRAFT MISSILE SYSTEM, THEY ARE
VERY ANGRY AT JORDAN'S PRIME MINISTER ZAID RIFAI FOR HAVING
MISLED SAUDI ARABIA ABOUT THE TRUE COST OF THE DEAL.

ACCORDING TO AMERICAN SOURCES HERE, RIFAI, WITHOUT THE
KNOWLEDGE OF KING HUSSEIN, TOLD THE SAUDIS, WHO HAD ORIGINALLY
AGREED TO FINANCE THE \$350M DEAL, THAT THE U.S. HAD SUDDENLY
RAISED THE PRICE TO \$800M, AND THAT JORDAN WOULD THEREFORE

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NEED MORE MONEY.

BECAUSE SAUDI ARABIA BALKED AT THE PRICE INCREASE, JORDANIAN OFFICIALS BEGAN CHARGING THAT THE U.S. HAD MISLED JORDAN ABOUT THE PRICE, AND THREATENED TO GO TO THE SOVIET UNION FOR THE AIR DEFENCE SYSTEM.

THE STATE DEPARTMENT, AT FIRST, ASSUMED THAT THE JORDANIANS HAD A LEGITIMATE GRIPE, BELIEVING THAT THE DEFENCE DEPARTMENT HAD RAISED THE COST. THE ORIGINAL HAWK DEAL, WHICH ALSO INCLUDED VULCAN ANTI-AIRCRAFT GUNS AND REDEYE ANTI-AIRCRAFT MISSILES, WAS WORKED OUT IN A STRAIGHT U.S. DEFENSE DEPARTMENT-JORDAINAIN BOERNMENT DEAL.

BUT AFTER CHECKING THE FACTS THE STATE DEPARTMENT LEARNED THAT JORDAN HAD ITSELF GONE TO THE RAYTHEON COMPANY, THE MAKERS OF THE HAWK MISSILE, AND HAD ASKED FOR THE PRICE OF ADDITIONAL "SOFTWARE" ITEMS BEYOND THE ORIGINAL HAWK DEAL. THESE INCLUDED EQUIPMENT FOR SUPPORT, TRAINING, LOGISTICS AND SPARE PARTS. RAYTHEON SAID THAT JORDAN'S ORDER WOULD COST APPROXIMATELY ANOTHER \$500M, RAISING THE TOTAL COST TO ABOUT \$800M.

SINCE SAUDI ARABIA HAD AGREED INITIALLY ONLY TO PAY FOR FOR THE COST OF THE ORIGINAL HAWK DEAL, RIFAI IS SAID HERE TO HAVE TOLD THE SAUDI GOVERNMENT THAT THE U.S. HAD INCREASED THE PRICE.

THE U. S. AMBASSADOR IN AMMAN, THOMAS PICKERING, HAD BEEN ASKED BY WASHINGTON TO SEEK A FORMAL JORDANIAN APOLOGY - A REQUEST THAT THE JORDANIANS ARE UNLIKELY TO AGREE TO, DESPITE THE FACT THAT HUSSEIN WAS NOT INVOLVED IN THE AFFAIR. THE AMERICANS, WHO ARE IN CONTACT WITH BOTH JORDAN AND SAUDI ARABIA ON THE ISSUE, ARE ATTEMPTING TO REACH A SUITABLE COMPROMISE THAT WILL LET THE WHOLE CONTROVERSIAL MATTER BLOW OVER.

ACCORDING TO SOURCES HERE, THERE IS TALK OF A SAUDI 10-YEAR LOAN TO JORDAN TO PAY FOR THE ADDITIONAL "SOFTWARE" ITEMS AND PERHAPS, FOR THE U.S. TO HELP PAY FOR SOME OF THE DEAL. BOTH SAUDI ARABIA AND THE U.S. WOULD LIKE TO SEE JORDAN LIMITED OFFICIAL USE

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PURCHASE THE SYSTEM FROM THE AMERICANS RATHER THAN THE RUSSIANS.

END TEXT

DECONTROL UPON RECEIPT
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, MISSILES, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JERUSA00567
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760159-0192
From: JERUSALEM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760419/aaaaapnn.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 AMMAN 2226
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 14 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 JUN 2004 by ElyME>; APPROVED <15 JUN 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JERUSALEM POST ARTICLE ON HAWKS
TAGS: PFOR, JO, US
To: AMMAN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006